

**LEBO-WAVERLY
UNIFIED SCHOOL DISTRICT NO. 243**

**REGULATORY BASIS FINANCIAL STATEMENTS
For the year ended June 30, 2014**

And

INDEPENDENT AUDITOR'S REPORTS ON FINANCIAL STATEMENTS

...*KL*...

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UNIFIED SCHOOL DISTRICT NO. 243

Waverly, Kansas

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report on Financial Statements	1-3
Statement 1	
Summary Statement of Cash Receipts, Expenditures and Unencumbered Cash	4
Notes to Financial Statements	5-13
Statement 2	
Schedule of Expenditures - Actual and Budget	14
Statement 3	
Schedule of Cash Receipts and Expenditures - Actual and Budget	
General Fund	15
Supplemental General Fund	16
Vocational Education Fund	17
Special Education Fund	18
Driver Training Fund	19
Food Service Fund	20
Capital Outlay Fund	21
Professional Development Fund	22
KPERS Contribution Fund	23
At-Risk - K-12 Fund	24
Bond and Interest	25
Statement of Receipts and Expenditures - Any Nonbudgeted Funds	26-27
Statement 4	
Statement of Receipts and Disbursements - Agency Funds	28
Statement 5	
Statement of Receipts, Expenditures and	
Unencumbered Cash - District Activity Funds	29
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	30-31



Karlin & Long, LLC
Certified Public Accountants

Board of Education
Unified School District No. 243
Waverly, Kansas

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 243, Waverly, Kansas ("Municipality") as of and for the year ended June 30, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the presentation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Unified School District No. 243, Waverly,, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 243, Waverly, Kansas as of June 30, 2014 or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 243, Waverly, Kansas ("Municipality") as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinion on the 2014 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2014 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 information has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.



Karlin & Long, LLC
Certified Public Accountants

Lenexa, KS
September 1, 2014

USD #243 LEBO-WAVERLY, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Funds							
General	\$ 2,485	0	\$ 3,777,556	\$ 3,780,019	\$ 22	\$	\$ 22
Supplemental General	38,309	0	1,176,078	1,165,000	49,387		49,387
Special Purpose Funds							
Vocational Education	86,562	0	148,469	168,086	66,945		66,945
Special Education	102,094	0	683,096	714,752	70,438		70,438
Driver Education	22,324	0	7,372	6,872	22,824		22,824
Food Service	42,040	0	352,137	358,187	35,990		35,990
Capital Outlay	622,538	0	35,764	177,600	480,702		480,702
Professional Development	5,233	0	2,177	2,627	4,783		4,783
KPERS Special Contribution	0	0	332,961	332,961	0		0
At Risk (K-12)	47,688	0	333,458	329,575	51,571		51,571
District Activity Funds	56,452	0	228,661	232,035	53,078		53,078
Textbook Rental Fund	25,142	0	54,851	34,231	45,762		45,762
Contingency Reserve Fund	103,087	0	0	0	103,087		103,087
Title I	0	0	56,594	56,594	0		0
Tech Grant	0	0	97,500	86,725	10,775		10,775
REAP Grant	0	0	8,474	8,474	0		0
Title IIA	0	0	16,379	16,379	0		0
Bond and Interest Funds							
Bond and Interest	538,699	0	381,189	382,471	537,417		537,417
Total Reporting Entity	\$ 1,692,653	0	\$ 7,692,716	\$ 7,852,588	\$ 1,532,781	\$ 0	\$ 1,532,781
Composition of Cash							
Checking Accounts							\$ 133,176
Petty Cash							500
Savings Accounts							1,503,419
Certificates of Deposit							
Total Cash							<u>1,637,095</u>
Agency Funds per Statement 4							<u>104,314</u>
Total Reporting Entity							<u>\$ 1,532,781</u>

The notes to the financial statements are an integral part of this statement.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

USD No. 243 is a municipal corporation governed by an elected seven member board. The district as an entity has been defined to include, on a combined basis, (a) USD No.243 (b) organizations for which USD No. 243 is financially accountable, and (c) other organizations for which the nature and significance of their relationship with USD No. 243 are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year 2014:

Governmental Funds

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long term debt) that are intended for specified purposes

Bond and Interest Fund – To account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt.

Fiduciary Funds

Agency Funds – Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, activity accounts, etc.).

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

Reimbursed Expenses

Expenditures in the amount of \$ 0 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenues other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments during the year 2014.

The statutes permit transferring budgeted amounts between accounts within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the city for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for capital projects funds and trust funds and the following special revenue funds:

Textbook Student Material Fund	Contingency Reserve Fund
Title I Fund	Tech Grant
REAP Grant	Title IIA Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimates.

NOTE 2 – Deposits and Investments

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the government. The statute requires banks eligible to hold the government's funds have a main or branch bank in the county in which the government is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The government has no other policies that would further limit interest rate risk.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (Continued)

Deposits (Continued)

K.S.A. 12-1675 limits the government's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The government has no investment policy that would further limit its investment choices. The District's investments are categorized to give an indication of the level or risk assumed by the entity at year end. Category 1 includes investments that are insured or registered, or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer bank. Of the three risk categories, the investments classified in risk Category 1 have the least risk to the municipality.

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2014.

At June 30, 2014, the government's carrying amount of deposits was \$ 1,637,095 and the bank balance was \$ 1,758,568. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the district's name.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (Continued)

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 – Defined Benefit Pension Plan

Plan Description – USD No. 243 participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depending on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414 (h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

NOTE 4 – Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Stewardship, Compliance and Accountability

We noted no violations of Kansas Statutes during the period under examination.

NOTE 6 – Compensated Absences

Vacation is provided for all twelve-month employees. These employees receive two weeks vacation per year for the first five years and three weeks per year thereafter.

Ten days of sick leave are given full time (nine month or greater) employees each year. Sick leave can accumulate to eighty days. When an employees accumulates eighty days and utilizes less than three days of their current year's sick leave, they are paid two days as substitute pay. If an employee is with the district for fifteen years and retires or leaves, they are paid an amount equal to one-third of their accumulated sick leave up to 23 days times their base rate.

Each employee receives two days per year for personal leave. The District has not accrued compensated absences because the amount cannot be reasonably estimated.

NOTE 7 – Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 543,820
General Fund	Vocational Education Fund	K.S.A. 72-6428	46,300
General Fund	At-Risk Fund (K-12)	K.S.A. 72-6428	379,321
Supplemental General Fund	Special Education Fund	K.S.A. 72-6425	120,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6425	96,019
Supplemental General Fund	Food Service	K.S.A. 72-6425	70,000

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

NOTE 9 – Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statements.

NOTE 10 – Subsequent Events

Subsequent events for management's review have been evaluated through September 1, 2014. The date in the prior sentence is the date the financial statements were available to be issued.

NOTE 11 – In Substance Receipt in Transit

The District received \$312,738 subsequent to June 30, 2014 and as required by K.S.A 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014

UNIFIED SCHOOL DISTRICT NO.243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

2

Note 16 - Long Term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2014 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds Series 2000 refunded	2.00%	6/1/00	\$ 4,970,000	9/1/20	\$ 2,720,000	\$	\$ 40,000	\$ (40,000)	\$ 2,680,000	\$ 42,471
Total Long Term Debt			\$ 2,720,000		\$	0	\$ 40,000	\$ (40,000)	\$ 2,680,000	\$ 42,471

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2015	2016	2017	2018	2019	2020-2021	Total
Principal							
General Obligation Bonds	\$ 340,000	\$ 350,000	\$ 365,000	\$ 380,000	\$ 400,000	\$ 845,000	\$ 2,680,000
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases							0
Revenue Bonds							0
KDHE Loans							0
Temporary Notes							0
Total Principal	340,000	350,000	365,000	380,000	400,000	845,000	2,680,000
Interest							
General Obligation Bonds	50,200	43,300	36,150	28,700	20,900	17,050	196,300
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases							0
Revenue Bonds							0
KDHE Loans							0
Temporary Notes							0
Total Interest	50,200	43,300	36,150	28,700	20,900	17,050	196,300
Total Principal and Interest	\$ 390,200	\$ 393,300	\$ 401,150	\$ 408,700	\$ 420,900	\$ 862,050	\$ 2,876,300

Unified School District No. 243, Waverly, Kansas

Regulatory-Required

Supplementary Information

For the year ended June 30, 2014

USD #243 LEBO-WAVERLY, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	\$ 3,810,750	\$ (30,731)	\$ 0	\$ 3,780,019	\$ 3,780,019	\$ 0
Supplemental General	1,165,000	0	0	1,165,000	1,165,000	0
Special Purpose Funds						
Vocational Education	202,502	0	0	202,502	168,086	(34,416)
Special Education	875,412	0	0	875,412	714,752	(160,660)
Driver Training	33,674	0	0	33,674	6,872	(26,802)
Food Service	395,589	0	0	395,589	358,187	(37,402)
Capital Outlay	675,726	0	0	675,726	177,600	(498,126)
Professional Development	5,233	0	0	5,233	2,627	(2,606)
KPERS Special Contribution	351,895	0	0	351,895	332,961	(18,934)
At-Risk Fund (K-12)	393,008	0	0	393,008	329,575	(63,433)
Bond and Interest Funds						
Bond and Interest	382,571	0	0	382,571	382,471	(100)

The notes to the financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 481,548	\$ 457,282	\$ 24,266
Delinquent tax	373	4,712	(4,339)
Motor vehicle tax			0
RV tax			0
Mineral production tax	217		217
Federal grants			0
State aid/grants	3,295,418	3,346,271	(50,853)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>3,777,556</u>	<u>3,808,265</u>	<u>(30,709)</u>
EXPENDITURES			
Instruction	1,655,479	1,743,614	(88,135)
Student support services	50,337	41,250	9,087
Instruction support staff	50,773	49,520	1,253
General administration	178,839	132,910	45,929
School administration	227,500	147,675	79,825
Operations and maintenance	359,892	341,750	18,142
Student transportation services	304,865	306,765	(1,900)
Central support services			0
Other support services	42,693		42,693
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	909,641	1,047,266	(137,625)
Adjustment to comply with legal max		(30,731)	30,731
Adjustment for qualifying budget credits		0	0
Total Expenditures	<u>3,780,019</u>	<u>\$ 3,780,019</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(2,463)		
Unencumbered Cash, Beginning	2,485		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	<u>\$ 22</u>		

The notes to the financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
 SUPPLEMENTAL GENERAL FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 643,124	\$ 665,409	\$ (22,285)
Delinquent tax	621	5,283	(4,662)
Motor vehicle tax	57,258	52,316	4,942
RV tax	2,436	2,282	154
Mineral production tax			0
Federal grants			0
State aid/grants	472,639	464,891	7,748
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>1,176,078</u>	<u>1,190,181</u>	<u>(14,103)</u>
EXPENDITURES			
Instruction	750,964	724,820	26,144
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	80,356	105,680	(25,324)
Student transportation services			0
Central support services			0
Other support services		52,500	(52,500)
Food service operations			0
Student activities	47,661		47,661
Facility acquisition and construction services			0
Debt service			0
Operating transfers	286,019	282,000	4,019
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>1,165,000</u>	<u>\$ 1,165,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	11,078		
Unencumbered Cash, Beginning	38,309		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 49,387</u>		

The notes to the financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
 VOCATIONAL EDUCATION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	5,950	3,500	2,450
Operating transfers	<u>142,519</u>	<u>112,440</u>	<u>30,079</u>
Total Cash Receipts	<u>148,469</u>	<u>115,940</u>	<u>32,529</u>
EXPENDITURES			
Instruction	163,382	200,452	(37,070)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	4,704	2,050	2,654
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>168,086</u>	<u>\$ 202,502</u>	<u>\$ (34,416)</u>
Receipts Over (Under) Expenditures	(19,617)		
Unencumbered Cash, Beginning	86,562		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	<u>\$ 66,945</u>		

The notes to the financial statements are an integral part of this statement.

USD #243 LEBOWAVERLY, KS
SPECIAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	19,276	25,000	(5,724)
Operating transfers	<u>663,820</u>	<u>748,318</u>	<u>(84,498)</u>
Total Cash Receipts	<u>683,096</u>	<u>773,318</u>	<u>(90,222)</u>
EXPENDITURES			
Instruction	697,088	848,942	(151,854)
Student support services			0
Instruction support staff			0
General administration	10,699	12,000	(1,301)
School administration			0
Operations and maintenance		4,000	(4,000)
Student transportation services	4,928		4,928
Central support services			0
Other support services		10,470	(10,470)
Food service operations			0
Student activities	2,037		2,037
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>714,752</u>	<u>\$ 875,412</u>	<u>\$ (160,660)</u>
Receipts Over (Under) Expenditures	(31,656)		
Unencumbered Cash, Beginning	102,094		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 70,438</u>		

The notes to the financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
 DRIVER TRAINING FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	2,672	4,600	(1,928)
Charges for services	4,700	6,750	(2,050)
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>7,372</u>	<u>11,350</u>	<u>(3,978)</u>
EXPENDITURES			
Instruction	5,701	33,674	(27,973)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	1,171		1,171
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>6,872</u>	<u>\$ 33,674</u>	<u>\$ (26,802)</u>
Total Expenditures			
	<u>6,872</u>	<u>\$ 33,674</u>	<u>\$ (26,802)</u>
Receipts Over (Under) Expenditures	500		
Unencumbered Cash, Beginning	22,324		
Prior Year Cancelled Encumbrances	0		
	<u>22,824</u>		
Unencumbered Cash, Ending	<u>\$ 22,824</u>		

The notes to the financial statements are an integral part of this statement.

USD #243 LEBOWAVERLY, KS
 FOOD SERVICE FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	169,827	152,471	17,356
State aid/grants	3,225	2,678	547
Charges for services	99,659	128,400	(28,741)
Interest income			0
Miscellaneous revenues	9,426		9,426
Operating transfers	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Total Cash Receipts	<u>352,137</u>	<u>353,549</u>	<u>(1,412)</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	13,081	47,204	(34,123)
Student transportation services			0
Central support services			0
Other support services			0
Food service operations	345,106	348,385	(3,279)
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>358,187</u>	<u>\$ 395,589</u>	<u>\$ (37,402)</u>
Receipts Over (Under) Expenditures	(6,050)		
Unencumbered Cash, Beginning	42,040		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 35,990</u>		

The notes to the financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
 CAPITAL OUTLAY FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 150	\$	\$ 150
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income	27,699		27,699
Miscellaneous revenues	7,915		7,915
Operating transfers		53,187	(53,187)
	<u>35,764</u>	<u>53,187</u>	<u>(17,423)</u>
Total Cash Receipts			
	<u>35,764</u>	<u>53,187</u>	<u>(17,423)</u>
EXPENDITURES			
Instruction	40,152		40,152
Student support services			0
Instruction support staff			0
General administration	358		358
School administration	6,659		6,659
Operations and maintenance	1,680		1,680
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services	128,751	675,726	(546,975)
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>177,600</u>	<u>675,726</u>	<u>(498,126)</u>
Total Expenditures			
	<u>177,600</u>	<u>675,726</u>	<u>(498,126)</u>
Receipts Over (Under) Expenditures	(141,836)		
Unencumbered Cash, Beginning	622,538		
Prior Year Cancelled Encumbrances	0		
	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 480,702</u>		

The notes to the financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
PROFESSIONAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	2,177		2,177
Operating transfers			0
	<u>2,177</u>	<u>0</u>	<u>2,177</u>
Total Cash Receipts			
	<u>2,177</u>	<u>0</u>	<u>2,177</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff	2,627	5,233	(2,606)
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>2,627</u>	<u>5,233</u>	<u>(2,606)</u>
Total Expenditures			
	<u>2,627</u>	<u>\$ 5,233</u>	<u>\$ (2,606)</u>
Receipts Over (Under) Expenditures	(450)		
Unencumbered Cash, Beginning	5,233		
Prior Year Cancelled Encumbrances	0		
	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>4,783</u>		

The notes to the financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	332,961	351,895	(18,934)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>332,961</u>	<u>351,895</u>	<u>(18,934)</u>
EXPENDITURES			
Instruction	196,447	272,934	(76,487)
Student support services	29,967	4,758	25,209
Instruction support staff		4,930	(4,930)
General administration	29,967	12,025	17,942
School administration	29,967	14,799	15,168
Operations and maintenance	26,636	24,142	2,494
Student transportation services			0
Central support services			0
Other support services		1,128	(1,128)
Food service operations	19,977	17,179	2,798
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>332,961</u>	<u>\$ 351,895</u>	<u>\$ (18,934)</u>
Total Expenditures	<u>332,961</u>	<u>\$ 351,895</u>	<u>\$ (18,934)</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	0		
	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

The notes to financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
 AT RISK FUND (K-12)
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Actual</u>	<u>Budget</u>	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	14,137		14,137
Operating transfers	<u>319,321</u>	<u>345,321</u>	<u>(26,000)</u>
Total Cash Receipts	<u>333,458</u>	<u>345,321</u>	<u>(11,863)</u>
EXPENDITURES			
Instruction	329,575	393,008	(63,433)
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>329,575</u>	<u>\$ 393,008</u>	<u>\$ (63,433)</u>
Receipts Over (Under) Expenditures	3,883		
Unencumbered Cash, Beginning	47,688		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 51,571</u>		

The notes to financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
 BOND AND INTEREST FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2014

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 214,407	\$ 201,498	\$ 12,909
Delinquent tax	252	2,128	(1,876)
Motor vehicle tax	27,012	24,404	2,608
RV tax	1,132	1,064	68
Federal grants		1,178	(1,178)
State aid/grants	137,690	137,690	0
Charges for services			0
Interest income	696		696
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>381,189</u>	<u>367,962</u>	<u>13,227</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service	382,471	382,571	(100)
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>382,471</u>	<u>\$ 382,571</u>	<u>\$ (100)</u>
Receipts Over (Under) Expenditures	(1,282)		
Unencumbered Cash, Beginning	538,699		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 537,417</u>		

The notes to financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
 ANY NONBUDGETED FUNDS
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Textbook</u>	<u>Contingency Reserve</u>	<u>Title I</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			56,594
State aid/grants			
Charges for services	54,851		
Interest income			
Miscellaneous revenues			
Operating transfers			
	<u>54,851</u>	<u>0</u>	<u>56,594</u>
EXPENDITURES			
Instruction	30,822		56,594
Student support services			
Instruction support staff	3,409		
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>34,231</u>	<u>0</u>	<u>56,594</u>
Receipts Over (Under) Expenditures	20,620	0	0
Unencumbered Cash, Beginning	25,142	103,087	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>45,762</u>	\$ <u>103,087</u>	\$ <u>0</u>

The notes to the financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
 ANY NONBUDGETED FUNDS
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2014

	<u>Tech Grant</u>	<u>REAP Grant</u>	<u>Title IIA</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants		8,474	16,379
State aid/grants			
Charges for services			
Interest income			
Miscellaneous revenues	97,500		
Operating transfers			
	<u>97,500</u>	<u>8,474</u>	<u>16,379</u>
EXPENDITURES			
Instruction	86,725	8,474	5,515
Student support services			10,864
Instruction support staff			
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>86,725</u>	<u>8,474</u>	<u>16,379</u>
Total Expenditures	<u>86,725</u>	<u>8,474</u>	<u>16,379</u>
 Receipts Over (Under) Expenditures	 10,775	 0	 0
Unencumbered Cash, Beginning	0	0	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
 Unencumbered Cash, Ending	 <u>\$ 10,775</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

The notes to the financial statements are an integral part of this statement.

USD #243 LEBO-WAVERLY, KS
 AGENCY FUNDS
 Summary of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2014

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Lebo-Waverly Educational Foundatior	\$ 13,655	\$ 2956	\$ 9,761	\$ 6,850
Lebo				
Class of 2010	743		743	0
Class of 2012	227		227	0
Class of 2013	541	1,000	1,541	0
Class of 2014	23,691	11,644	35,026	309
Class of 2015	10,286	46,844	32,114	25,016
Class of 2016	5,123	19,863	11,300	13,686
Class of 2017	0	7,849	3,659	4,190
FBLA	62	1,417	931	548
FFA	17,532	16,149	12,004	21,677
FCCLA	3	878	866	15
High school Cheerleaders	1,288	829	1,709	408
Jr. High Cheerleaders	681	931	983	629
National Honor Society	1,178	949	712	1,415
Student Council	79	700	755	24
Waverly				
Class of 2013	198	7,383	7,581	0
Class of 2014	5,150	26,852	31,992	10
Class of 2015	6,812	16,182	17,544	5,450
Class of 2016	4,718	13,038	9,120	8,636
Class of 2017	0	9,533	5,790	3,743
FBLA	769	399	1,168	0
Sales tax	869	10,888	11,338	419
Interest	368	26		394
High school Cheerleaders	1,167	9,719	8,807	2,079
Jr. High Cheerleaders	281	3,455	3,268	468
National Honor Society	2,225	6,763	6,678	2,310
Student Council	1,609	395	998	1,006
Memorial Fund	0	3,034	3,015	19
Weights Club	0	3,849	2,974	875
Football Club	886	6,652	5,724	1,814
Volleyball Club	1,277	18,400	17,353	2,324
Total	\$ <u>101,418</u>	\$ <u>248,577</u>	\$ <u>245,681</u>	\$ <u>104,314</u>

The notes to the financial statements are an integral part of this statement.

USD #243 LEBOWAVERLY, KS
DISTRICT ACTIVITY FUNDS
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
Lebo							
Athletics	\$ 11,506	\$	\$ 31,648	\$ 37,920	\$ 5,234	\$	\$ 5,234
Waverly							
Athletics	2,040		31,231	32,204	1,067		1,067
Subtotal Gate Receipts	13,546	0	62,879	70,124	6,301	0	6,301
School Projects							
Lebo							
Annual	470		2,150	1,780	840		840
Band	1,321		24,377	24,394	1,304		1,304
Book Fair	476		1,933	1,849	560		560
Home Ec	1,189		1,529	1,163	1,555		1,555
Concessions	588				588		588
Jr High Art	531			34	497		497
Renaissance	1,112				1,112		1,112
Student activity	6,077		6,650	9,582	3,145		3,145
Owls Project	360				360		360
Student Purchase	10		1,255	1,255	10		10
Elementary Team Project	6,111		6,458	4,652	7,917		7,917
Elementary	931		1,311	1,500	742		742
Elementary Fun Run	1,908		3,622	2,291	3,239		3,239
Flower Fund	430		310	276	464		464
Library	162		87	5	244		244
Uniforms	566		35		601		601
Miscellaneous	691			676	15		15
Waverly							
Band	93		339	203	229		229
Student activity	2,521		11,320	13,616	225		225
Concessions	11,053		51,056	45,551	16,558		16,558
Community/ Teacher	31		1,009	1,009	31		31
Music/Drama	2,509				2,509		2,509
Instructional Fund	1,986		7,004	7,677	1,313		1,313
After School	511		262	198	575		575
Enrollment Fees	0		13,759	13,759	0		-
Cafeteria Fund	104		500	407	104		104
Renaissance	271				364		364
Construction Fund	337		29,600	29,600	337		337
Germany Exchange Student Trip	0				0		-
Yearbook	557		1,216	434	1,339		1,339
Subtotal School Projects	42,906	0	165,782	161,911	46,777	0	46,777
Total District Activity Funds	\$ 56,452	\$ 0	\$ 228,661	\$ 232,035	\$ 53,078	\$ 0	\$ 53,078

The notes to the financial statements are an integral part of this statement.



Karlin & Long, LLC
Certified Public Accountants

Board of Education
Unified School District No. 243
Waverly, Kansas 66871

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL COMPLIANCE REPORTING AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards contained in the Kansas Municipal Audit and Accounting Guide and the standards acceptable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Unified School District No. 243, Waverly, Kansas ("Municipality") as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise Unified School District No. 243, Waverly, Kansas basic financial statements, and have issued our report thereon dated September 1, 2014. In our report, our opinion was adverse on the basis of U. S. Generally Accepted Accounting Principles and unqualified on the Regulatory Basis of Accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified School District No. 243's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District No. 243's internal control. Accordingly we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 243's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Karlin & Long, LLC".

Karlin & Long, LLC
Certified Public Accountants

Lenexa, Kansas
September 1, 2014